

Main Street Capital CORP  
Form 10-Q  
August 03, 2018

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2018

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from: \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number: 001-33723

**Main Street Capital Corporation**

(Exact name of registrant as specified in its charter)

**Maryland**  
(State or other jurisdiction of  
incorporation or organization)

**41-2230745**  
(I.R.S. Employer  
Identification No.)

**1300 Post Oak Boulevard, 8<sup>th</sup> Floor**  
**Houston, TX**  
(Address of principal executive offices)

**77056**  
(Zip Code)

**(713) 350-6000**

(Registrant's telephone number including area code)

**n/a**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer       Accelerated filer       Non-accelerated filer       Smaller reporting company   
(do not check if  
smaller reporting company)      Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares outstanding of the issuer's common stock as of August 2, 2018 was 60,581,858.

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	<b>June 30, 2018</b>	<b>December 31, 2017</b>
	<b>(Unaudited)</b>	
<b>ASSETS</b>		
Investments at fair value:		
Control investments (cost: \$694,340 and \$530,034 as of June 30, 2018 and December 31, 2017, respectively)	\$ 913,963	\$ 750,706
Affiliate investments (cost: \$360,559 and \$367,317 as of June 30, 2018 and December 31, 2017, respectively)	341,416	338,854
Non-Control/Non-Affiliate investments (cost: \$1,119,660 and \$1,107,447 as of June 30, 2018 and December 31, 2017, respectively)	1,108,752	1,081,745
Total investments (cost: \$2,174,559 and \$2,004,798 as of June 30, 2018 and December 31, 2017, respectively)	2,364,131	2,171,305
Cash and cash equivalents	40,484	51,528
Interest receivable and other assets	38,743	36,343
Receivable for securities sold	13,295	2,382
Deferred financing costs (net of accumulated amortization of \$6,101 and \$5,600 as of June 30, 2018 and December 31, 2017, respectively)	4,692	3,837
Total assets	\$ 2,461,345	\$ 2,265,395
<b>LIABILITIES</b>		
Credit facility	\$ 289,000	\$ 64,000
SBIC debentures (par: \$313,800 and \$295,800 as of June 30, 2018 and December 31, 2017, respectively)	306,418	288,483
4.50% Notes due 2022 (par: \$185,000 as of both June 30, 2018 and December 31, 2017)	182,319	182,015
4.50% Notes due 2019 (par: \$175,000 as of both June 30, 2018 and December 31, 2017)	173,977	173,616
6.125% Notes (par: \$0 and \$90,655 as of June 30, 2018 and December 31, 2017, respectively)		89,057
Accounts payable and other liabilities	16,599	20,168
Payable for securities purchased	17,889	40,716
Interest payable	5,477	5,273
Dividend payable	11,477	11,146
Deferred tax liability, net	10,835	10,553
Total liabilities	1,013,991	885,027
Commitments and contingencies (Note M)		
<b>NET ASSETS</b>		
Common stock, \$0.01 par value per share (150,000,000 shares authorized; 60,400,572 and 58,660,680 shares issued and outstanding as of June 30, 2018 and December 31, 2017, respectively)	603	586
Additional paid-in capital	1,371,983	1,310,780
Accumulated net investment income, net of cumulative dividends of \$746,766 and \$662,563 as of June 30, 2018 and December 31, 2017, respectively	(1,168)	7,921
Accumulated net realized gain from investments (accumulated net realized gain from investments of \$56,570 before cumulative dividends of \$124,690 as of June 30, 2018 and accumulated net realized gain	(68,120)	(60,114)

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from investments of \$64,576 before cumulative dividends of \$124,690 as of December 31, 2017)		
Net unrealized appreciation, net of income taxes	144,056	121,195
<b>Total net assets</b>	<b>1,447,354</b>	<b>1,380,368</b>
Total liabilities and net assets	\$ 2,461,345	\$ 2,265,395
<b>NET ASSET VALUE PER SHARE</b>	<b>\$ 23.96</b>	<b>\$ 23.53</b>

The accompanying notes are an integral part of these consolidated financial statements

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## MAIN STREET CAPITAL CORPORATION

## Consolidated Statements of Operations

(dollars in thousands, except shares and per share amounts)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
<b>INVESTMENT INCOME:</b>				
Interest, fee and dividend income:				
Control investments	\$ 23,875	\$ 14,590	\$ 45,830	\$ 27,576
Affiliate investments	8,515	9,568	17,587	19,468
Non-Control/Non-Affiliate investments	27,479	26,113	52,395	51,116
Total investment income	59,869	50,271	115,812	98,160
<b>EXPENSES:</b>				
Interest	(10,833)	(8,793)	(21,098)	(17,400)
Compensation	(5,673)	(4,555)	(11,164)	(8,985)
General and administrative	(3,097)	(3,060)	(6,071)	(6,000)
Share-based compensation	(2,432)	(2,798)	(4,735)	(5,067)
Expenses allocated to the External Investment Manager	1,678	1,628	3,744	3,152
Total expenses	(20,357)	(17,578)	(39,324)	(34,300)
<b>NET INVESTMENT INCOME</b>	39,512	32,693	76,488	63,860
<b>NET REALIZED GAIN (LOSS):</b>				
Control investments	(8,413)	3,789	4,681	3,108
Affiliate investments		(115)		22,816
Non-Control/Non-Affiliate investments	(5,531)	7,307	(11,165)	12,625
Realized loss on extinguishment of debt	(1,522)		(2,896)	(5,217)
Total net realized gain (loss)	(15,466)	10,981	(9,380)	33,332
<b>NET UNREALIZED APPRECIATION (DEPRECIATION):</b>				
Control investments	26,046	5,166	3,072	17,046
Affiliate investments	(376)	(674)	13,862	(26,796)
Non-Control/Non-Affiliate investments	7,041	(3,127)	4,895	(10,976)
SBIC debentures	(10)	(36)	1,348	5,629
Total net unrealized appreciation (depreciation)	32,701	1,329	23,177	(15,097)
<b>INCOME TAXES:</b>				
Federal and state income, excise and other taxes	852	(438)	(34)	(1,690)
Deferred taxes	(2,148)	(1,736)	(282)	(6,122)
Income tax provision	(1,296)	(2,174)	(316)	(7,812)
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	\$ 55,451	\$ 42,829	\$ 89,969	\$ 74,283
<b>NET INVESTMENT INCOME PER SHARE BASIC AND DILUTED</b>	\$ 0.66	\$ 0.58	\$ 1.29	\$ 1.15

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<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS PER SHARE - BASIC AND DILUTED</b>	\$	0.93	\$	0.76	\$	1.52	\$	1.33
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**DIVIDENDS PAID PER SHARE:**

Regular monthly dividends	\$	0.570	\$	0.555	\$	1.140	\$	1.110
Supplemental dividends		0.275		0.275		0.275		0.275
<b>Total dividends</b>	<b>\$</b>	<b>0.845</b>	<b>\$</b>	<b>0.830</b>	<b>\$</b>	<b>1.415</b>	<b>\$</b>	<b>1.385</b>

<b>WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC AND DILUTED</b>	59,828,751	56,166,782	59,343,199	55,648,854
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The accompanying notes are an integral part of these consolidated financial statements

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## MAIN STREET CAPITAL CORPORATION

## Consolidated Statements of Changes in Net Assets

(dollars in thousands, except shares)

(Unaudited)

	Common Stock			Accumulated Net Investment Income, Net of Dividends	Accumulated Net Realized Gain From Investments, Net of Dividends	Net Unrealized Appreciation from Investments, Net of Income Taxes	Total Net Asset Value
	Number of Shares	Par Value	Additional Paid-In Capital				
<b>Balances at December 31, 2016</b>	54,354,857	\$ 543	\$ 1,143,883	\$ 19,033	\$ (58,887)	\$ 96,909	\$ 1,201,481
Public offering of common stock, net of offering costs	2,104,424	22	78,412				78,434
Share-based compensation			5,067				5,067
Purchase of vested stock for employee payroll tax withholding	(113,371)	(1)	(4,346)				(4,347)
Investment through issuance of unregistered shares	11,464		442				442
Dividend reinvestment	115,807	1	4,403				4,404
Amortization of directors' deferred compensation			326				326
Issuance of restricted stock, net of forfeited shares	225,152	2	(2)				
Dividends to stockholders				(54,925)	(22,420)		(77,345)
Net increase (decrease) resulting from operations				58,643	38,549	(22,909)	74,283
<b>Balances at June 30, 2017</b>	56,698,333	\$ 567	\$ 1,228,185	\$ 22,751	\$ (42,758)	\$ 74,000	\$ 1,282,745
<b>Balances at December 31, 2017</b>	58,660,680	\$ 586	\$ 1,310,780	\$ 7,921	\$ (60,114)	\$ 121,195	\$ 1,380,368
Public offering of common stock, net of offering costs	1,432,185	14	53,748				53,762
Share-based compensation			4,735				4,735
Purchase of vested stock for employee payroll tax withholding	(109,693)	(1)	(4,076)				(4,077)
Dividend reinvestment	168,426	2	6,379				6,381
Amortization of directors' deferred compensation			419				419
Issuance of restricted stock, net of forfeited shares	248,974	2	(2)				
Dividends to stockholders				(84,203)			(84,203)
Net increase (decrease) resulting from operations				75,114	(8,006)	22,861	89,969
<b>Balances at June 30, 2018</b>	60,400,572	\$ 603	\$ 1,371,983	\$ (1,168)	\$ (68,120)	\$ 144,056	\$ 1,447,354



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The accompanying notes are an integral part of these consolidated financial statements

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## MAIN STREET CAPITAL CORPORATION

## Consolidated Statements of Cash Flows

(dollars in thousands)

(Unaudited)

	Six Months Ended June 30,	
	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net increase in net assets resulting from operations	\$ 89,969	\$ 74,283
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used in) operating activities:		
Investments in portfolio companies	(528,015)	(471,548)
Proceeds from sales and repayments of debt investments in portfolio companies	281,802	380,005
Proceeds from sales and return of capital of equity investments in portfolio companies	42,955	54,352
Net unrealized (appreciation) depreciation	(23,177)	15,097
Net realized (gain) loss	9,380	(33,332)
Accretion of unearned income	(6,945)	(9,091)
Payment-in-kind interest	(952)	(3,125)
Cumulative dividends	(1,069)	(1,789)
Share-based compensation expense	4,735	5,067
Amortization of deferred financing costs	1,685	1,324
Deferred tax provision	282	6,122
Changes in other assets and liabilities:		
Interest receivable and other assets	(3,560)	420
Interest payable	204	(289)
Accounts payable and other liabilities	(3,149)	(3,058)
Deferred fees and other	2,162	1,224
Net cash provided by (used in) operating activities	(133,693)	15,662
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from public offering of common stock, net of offering costs	53,762	78,434
Dividends paid	(77,492)	(72,505)
Proceeds from issuance of SBIC debentures	22,000	46,400
Repayments of SBIC debentures	(4,000)	(25,200)
Redemption of 6.125% Notes	(90,655)	
Proceeds from credit facility	427,000	251,000
Repayments on credit facility	(202,000)	(291,000)
Payment of deferred issuance costs and SBIC debenture fees	(1,889)	(1,125)
Purchases of vested stock for employee payroll tax withholding	(4,077)	(4,347)
Net cash provided by (used in) financing activities	122,649	(18,343)
Net decrease in cash and cash equivalents	(11,044)	(2,681)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>51,528</b>	<b>24,480</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 40,484</b>	<b>\$ 21,799</b>
<b>Supplemental cash flow disclosures:</b>		
Interest paid	\$ 19,147	\$ 16,304

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Taxes paid	\$	4,075	\$	2,785
<b>Non-cash financing activities:</b>				
Shares issued pursuant to the DRIP	\$	6,381	\$	4,404

The accompanying notes are an integral part of these consolidated financial statements

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<b>Portfolio Company(1)(20)</b>	<b>Investment Date(27)</b>	<b>Business Description</b>	<b>Type of Investment(2)(3)(26)</b>	<b>Principal(4)</b>	<b>Cost(4)</b>	<b>Fair Value(18)</b>
<b><u>Control Investments(5)</u></b>						
<b>Access Media Holdings, LLC(10)</b>	July 22, 2015	Private Cable Operator	10% PIK Secured Debt (Maturity July 22, 2020)(14)(19) Preferred Member Units (8,977,500 units) Member Units (45 units)	\$ 23,828	\$ 23,828 8,871 1	\$ 15,120
					32,700	15,120
<b>ASC Interests, LLC</b>	August 1, 2013	Recreational and Educational Shooting Facility	11% Secured Debt (Maturity July 31, 2018) Member Units (1,500 units)	1,650	1,649 1,500	1,649 1,370
					3,149	3,019
<b>ATS Workholding, LLC(10)</b>	March 10, 2014	Manufacturer of Machine Cutting Tools and Accessories	5% Secured Debt (Maturity November 16, 2021) Preferred Member Units (3,725,862 units)	4,605	4,179 3,726	4,179 3,726
					7,905	7,905
<b>Bond-Coat, Inc.</b>	December 28, 2012	Casing and Tubing Coating Services	12% Secured Debt (Maturity December 28, 2020) Common Stock (57,508 shares)	11,596	11,319 6,350	11,319 9,370
					17,669	20,689
<b>Brewer Crane Holdings, LLC</b>	January 9, 2018	Provider of Crane Rental and Operating Services	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.98%, Secured Debt	9,796	9,706	9,706

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			(Maturity January 9, 2023)(9) Preferred Member Units (2,950 units)(8)	4,280	4,280
				13,986	13,986
<b>Café Brazil, LLC</b>	April 20, 2004	Casual Restaurant Group	Member Units (1,233 units)(8)	1,742	4,780
<b>California Splendor Holdings LLC</b>	March 30, 2018	Processor of Frozen Fruits	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.38%, Secured Debt (Maturity March 30, 2023)(9)	9,271	9,157
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.38%, Secured Debt (Maturity March 30, 2023)(9)	28,000	27,733
			Preferred Member Units (6,157 units)(8)	10,775	10,775
				47,665	47,665
<b>CBT Nuggets, LLC</b>	June 1, 2006	Produces and Sells IT Training Certification Videos	Member Units (416 units)(8)	1,300	64,040

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<b>Portfolio Company(1)(20)</b>	<b>Investment Date(27)</b>	<b>Business Description</b>	<b>Type of Investment(2)(3)(26)</b>	<b>Principal(4)</b>	<b>Cost(4)</b>	<b>Fair Value(18)</b>
<b>Chamberlin Holding LLC</b>	February 26, 2018	Roofing and Waterproofing Specialty Contractor	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.38%, Secured Debt (Maturity February 26, 2023)(9) Member Units (4,347 units)(8)	21,600	21,397	21,397
					11,440	11,440
					32,837	32,837
<b>Charps, LLC</b>	February 3, 2017	Pipeline Maintenance and Construction	12% Secured Debt (Maturity February 3, 2022) Preferred Member Units (1,600 units)	15,900	15,762	15,762
					400	1,190
					16,162	16,952
<b>Clad-Rex Steel, LLC</b>	December 20, 2016	Specialty Manufacturer of Vinyl-Clad Metal	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 11.48%, Secured Debt (Maturity December 20, 2021)(9) Member Units (717 units)(8) 10% Secured Debt (Clad-Rex Steel RE Investor, LLC) (Maturity December 20, 2036) Member Units (Clad-Rex Steel RE Investor, LLC) (800 units)	12,880	12,783	12,880
					7,280	9,780
				1,173	1,161	1,173
					210	280
					21,434	24,113
<b>CMS Minerals Investments</b>	January 30, 2015	Oil & Gas Exploration & Production	Member Units (CMS Minerals II, LLC) (100 units)(8)		3,036	2,736
<b>Copper Trail Fund Investments(12)(13)</b>	July 17, 2017	Investment Partnership				

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			LP Interests (CTMH, LP) (Fully diluted 38.8%)	872	872	
			LP Interests (Copper Trail Energy Fund I, LP) (Fully diluted 30.1%)(8)	3,270	3,270	
				4,142	4,142	
<b>Datacom, LLC</b>	May 30, 2014	Technology and Telecommunications Provider				
			8% Secured Debt (Maturity May 30, 2018)(14)(17)	1,800	1,800	1,800
			5.25% Current / 5.25% PIK Secured Debt (Maturity May 30, 2019)(14)(19)	12,511	12,479	10,560
			Class A Preferred Member Units		1,181	
			Class B Preferred Member Units (6,453 units)		6,030	
				21,490	12,360	
<b>Digital Products Holdings LLC</b>	April 1, 2018	Designer and Distributor of Consumer Electronics				
			LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.00%, Secured Debt (Maturity April 1, 2023)(9)	26,400	26,146	26,146
			Preferred Member Units (3,451 shares)(8)		8,800	8,800
				34,946	34,946	

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<b>Portfolio Company(1)(20)</b>	<b>Investment Date(27)</b>	<b>Business Description</b>	<b>Type of Investment(2)(3)(26)</b>	<b>Principal(4)</b>	<b>Cost(4)</b>	<b>Fair Value(18)</b>
<b>Direct Marketing Solutions, Inc.</b>	February 13, 2018	Provider of Omni-Channel Direct Marketing Services	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.00%, Secured Debt (Maturity February 13, 2023)(9) Preferred Stock (8,400 shares)	18,487	18,298 8,400	18,298 8,400
					26,698	26,698
<b>Gamber-Johnson Holdings, LLC</b>	June 24, 2016	Manufacturer of Ruggedized Computer Mounting Systems	LIBOR Plus 9.00% (Floor 2.00%), Current Coupon 11.00%, Secured Debt (Maturity June 24, 2021)(9) Member Units (8,619 units)(8)	22,910	22,748 14,844	22,910 33,380
					37,592	56,290
<b>Garreco, LLC</b>	July 15, 2013	Manufacturer and Supplier of Dental Products	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 12.00%, Secured Debt (Maturity March 31, 2020)(9) Member Units (1,200 units)	5,362	5,331 1,200	5,331 1,940
					6,531	7,271
<b>GRT Rubber Technologies LLC</b>	December 19, 2014	Manufacturer of Engineered Rubber Products	LIBOR Plus 9.00% (Floor 1.00%), Current Coupon 10.98%, Secured Debt (Maturity December 19, 2019)(9) Member Units (5,879 units)(8)	10,782	10,744 13,065	10,782 25,450



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23,809 36,232

<b>Guerdon Modular Holdings, Inc.</b>	August 13, 2014	Multi-Family and Commercial Modular Construction Company	13% Secured Debt (Maturity March 1, 2019)	12,588	12,526	11,956
			Preferred Stock (404,998 shares)		1,140	
			Common Stock (212,033 shares)		2,983	
			Warrants (6,208,877 equivalent shares; Expiration April 25, 2028; Strike price \$0.01 per unit)			
					16,649	11,956
<b>Gulf Manufacturing, LLC</b>	August 31, 2007	Manufacturer of Specialty Fabricated Industrial Piping Products	Member Units (438 units)(8)		2,980	11,150
<b>Gulf Publishing Holdings, LLC</b>	April 29, 2016	Energy Industry Focused Media and Publishing	LIBOR Plus 9.50% (Floor 1.00%), Current Coupon 11.48%, Secured Debt (Maturity September 30, 2020)(9)	160	160	160
			12.5% Secured Debt (Maturity April 29, 2021)	12,666	12,582	12,582
			Member Units (3,681 units)		3,681	4,570
					16,423	17,312
<b>Harborside Holdings, LLC</b>	March 20, 2017	Real Estate Holding Company	Member units (100 units)		6,306	9,500

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****June 30, 2018****(dollars in thousands)****(unaudited)**

<b>Portfolio Company(1)(20)</b>	<b>Investment Date(27)</b>	<b>Business Description</b>	<b>Type of Investment(2)(3)(26)</b>	<b>Principal(4)</b>	<b>Cost(4)</b>	<b>Fair Value(18)</b>
<b>Harris Preston Fund Investments(12)(13)</b>	October 1, 2017	Investment Partnership	LP Interests (2717 MH, L.P.) (Fully diluted 49.3%)		786	879
<b>Harrison Hydra-Gen, Ltd.</b>	June 4, 2010	Manufacturer of Hydraulic Generators	Common Stock (107,456 shares)(8)		718	6,840
<b>HW Temps LLC</b>	July 2, 2015	Temporary Staffing Solutions	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 12.98%, Secured Debt (Maturity July 2, 2020)(9) Preferred Member Units (3,200 units)(8)	9,976	9,927 3,942	9,927 3,942
					13,869	13,869
<b>IDX Broker, LLC</b>	November 15, 2013	Provider of Marketing and CRM Tools for the Real Estate Industry	11.5% Secured Debt (Maturity November 15, 2020) Preferred Member Units (5,607 units)(8)	14,650	14,540 5,952	14,650 11,550
					20,492	26,200
<b>Jensen Jewelers of Idaho, LLC</b>	November 14, 2006	Retail Jewelry Store	Prime Plus 6.75% (Floor 2.00%), Current Coupon 11.50%, Secured Debt (Maturity November 14, 2019)(9) Member Units (627 units)(8)	3,655	3,626 811	3,655 4,600
					4,437	8,255
<b>KBK Industries, LLC</b>	January 23, 2006	Manufacturer of Specialty Oilfield and Industrial Products				

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			12.5% Secured Debt (Maturity September 28, 2020) Member Units (325 units)(8)	5,900	5,870 783	5,900 5,620
					6,653	11,520
<b>Lamb Ventures, LLC</b>	May 30, 2008	Aftermarket Automotive Services Chain	11% Secured Debt (Maturity July 1, 2022) Preferred Equity (non-voting) Member Units (742 units)	8,339	8,300 400	8,339 400
			9.5% Secured Debt (Lamb's Real Estate Investment I, LLC) (Maturity March 31, 2027) Member Units (Lamb's Real Estate Investment I, LLC) (1,000 units)(8)	432	428 625	432 570
					15,026	16,471
<b>Market Force Information, LLC</b>	July 28, 2017	Provider of Customer Experience Management Services	LIBOR Plus 11.00% (Floor 1.00%), Current Coupon 13.30%, Secured Debt (Maturity July 28, 2022)(9) Member Units (657,113 units)	22,800	22,606 14,700	22,606 14,360
					37,306	36,966

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****June 30, 2018****(dollars in thousands)****(unaudited)**

<b>Portfolio Company(1)(20)</b>	<b>Investment Date(27)</b>	<b>Business Description</b>	<b>Type of Investment(2)(3)(26)</b>	<b>Principal(4)</b>	<b>Cost(4)</b>	<b>Fair Value(18)</b>
<b>MH Corbin Holding LLC</b>	August 31, 2015	Manufacturer and Distributor of Traffic Safety Products	10% Secured Debt (Maturity August 31, 2020)	12,250	12,083	12,083
			Preferred Member Units (4,000 shares)		6,000	6,000
					18,083	18,083
<b>Mid-Columbia Lumber Products, LLC</b>	December 18, 2006	Manufacturer of Finger-Jointed Lumber Products	10% Secured Debt (Maturity January 15, 2020)	1,750	1,744	1,750
			12% Secured Debt (Maturity January 15, 2020)	3,900	3,871	3,871
			Member Units (7,874 units)		3,001	2,171
			9.5% Secured Debt (Mid-Columbia Real Estate, LLC) (Maturity May 13, 2025)	768	768	768
			Member Units (Mid-Columbia Real Estate, LLC) (500 units)(8)		790	1,470
				10,174	10,030	
<b>MSC Adviser I, LLC(16)</b>	November 22, 2013	Third Party Investment Advisory Services	Member Units (Fully diluted 100.0%)(8)			62,667
<b>Mystic Logistics Holdings, LLC</b>	August 18, 2014	Logistics and Distribution Services Provider for Large Volume Mailers	12% Secured Debt (Maturity August 15, 2019)	7,536	7,485	7,485
			Common Stock (5,873 shares)		2,720	4,120
					10,205	11,605
<b>NAPCO Precast, LLC</b>	January 31, 2008	Precast Concrete Manufacturing				

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			LIBOR Plus 8.50%, Current Coupon 10.80%, Secured Debt (Maturity May 31, 2019)	11,475	11,451	11,475
			Member Units (2,955 units)(8)		2,975	12,730
					14,426	24,205
<b>NexRev LLC</b>	February 28, 2018	Provider of Energy Efficiency Products & Services				
			11% Secured Debt (Maturity February 28, 2023)	17,440	17,274	17,274
			Preferred Member Units (86,400,000 units)(8)		6,880	6,880
					24,154	24,154
<b>NRI Clinical Research, LLC</b>	September 8, 2011	Clinical Research Service Provider				
			14% Secured Debt (Maturity June 8, 2022)	6,900	6,741	6,770
			Warrants (251,723 equivalent units; Expiration June 8, 2027; Strike price \$0.01 per unit)		252	500
			Member Units (1,454,167 units)		765	2,500
					7,758	9,770

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****June 30, 2018****(dollars in thousands)****(unaudited)**

<b>Portfolio Company(1)(20)</b>	<b>Investment Date(27)</b>	<b>Business Description</b>	<b>Type of Investment(2)(3)(26)</b>	<b>Principal(4)</b>	<b>Cost(4)</b>	<b>Fair Value(18)</b>
<b>NRP Jones, LLC</b>	December 22, 2011	Manufacturer of Hoses, Fittings and Assemblies	12% Secured Debt (Maturity March 20, 2023)	6,376	6,376	6,376
			Member Units (65,962 units)(8)		3,717	4,750
					10,093	11,126
<b>NuStep, LLC</b>	January 31, 2017	Designer, Manufacturer and Distributor of Fitness Equipment	12% Secured Debt (Maturity January 31, 2022)	20,600	20,438	20,438
			Preferred Member Units (406 units)		10,200	10,200
					30,638	30,638
<b>OMi Holdings, Inc.</b>	April 1, 2008	Manufacturer of Overhead Cranes	Common Stock (1,500 shares)(8)		1,080	14,810
<b>Pegasus Research Group, LLC</b>	January 6, 2011	Provider of Telemarketing and Data Services	Member Units (460 units)(8)		1,290	9,590
<b>PPL RVs, Inc.</b>	June 10, 2010	Recreational Vehicle Dealer	LIBOR Plus 7.00% (Floor 0.50%), Current Coupon 9.31%, Secured Debt (Maturity November 15, 2021)(9)	15,600	15,489	15,600
			Common Stock (1,962 shares)(8)		2,150	11,030
					17,639	26,630
<b>Principle Environmental, LLC (d/b/a TruHorizon Environmental Solutions)</b>	February 1, 2011	Noise Abatement Service Provider	13% Secured Debt (Maturity April 30, 2020)	7,477	7,371	7,477

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			Preferred Member Units (19,631 units)(8)	4,600	13,090
			Warrants (1,018 equivalent units; Expiration January 31, 2021; Strike price \$0.01 per unit)	1,200	780
				13,171	21,347
<b>Quality Lease Service, LLC</b>	June 8, 2015	Provider of Rigsite Accommodation Unit Rentals and Related Services			
			Zero Coupon Secured Debt (Maturity June 8, 2021)	7,341	7,341
			Member Units (1,000 units)		3,643
				10,984	12,163
<b>River Aggregates, LLC</b>	March 30, 2011	Processor of Construction Aggregates			
			Zero Coupon Secured Debt (Maturity June 30, 2018)(17)	750	750
			Member Units (1,150 units)		1,150
			Member Units (RA Properties, LLC) (1,500 units)		369
				2,269	8,030

Table of Contents**MAIN STREET CAPITAL CORPORATION****Consolidated Schedule of Investments (Continued)****June 30, 2018****(dollars in thousands)****(unaudited)**

<b>Portfolio Company(1)(20)</b>	<b>Investment Date(27)</b>	<b>Business Description</b>	<b>Type of Investment(2)(3)(26)</b>	<b>Principal(4)</b>	<b>Cost(4)</b>	<b>Fair Value(18)</b>
<b>The MPI Group, LLC</b>	October 2, 2007	Manufacturer of Custom Hollow Metal Doors, Frames and Accessories	9% Secured Debt (Maturity October 2, 2018)	2,924	2,924	1,110
			Series A Preferred Units (2,500 units)		2,500	
			Warrants (1,424 equivalent units; Expiration July 1, 2024; Strike price \$0.01 per unit)		1,096	
			Member Units (MPI Real Estate Holdings, LLC) (100 units)(8)		2,300	2,480
					8,820	3,590
<b>Vision Interests, Inc.</b>	June 5, 2007	Manufacturer / Installer of Commercial Signage	13% Secured Debt (Maturity December 23, 2018)	2,814	2,806	2,806
			Series A Preferred Stock (3,000,000 shares)		3,000	3,360
			Common Stock (1,126,242 shares)		3,706	129
					9,512	6,295
<b>Ziegler's NYPD, LLC</b>	October 1, 2008	Casual Restaurant Group	6.5% Secured Debt (Maturity October 1, 2019)	1,000	997	997
			12% Secured Debt (Maturity October 1, 2019)	425	425	425
			14% Secured Debt (Maturity October 1, 2019)	2,750	2,750	2,750
			Warrants (587 equivalent units; Expiration September 29, 2018; Strike price \$0.01 per unit)		600	
			Preferred Member Units (10,072 units)		2,834	2,359
					7,606	6,531



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Subtotal Control Investments (63.1% of net assets at fair value)	\$ 694,340	\$ 913,963
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## MAIN STREET CAPITAL CORPORATION

## Consolidated Schedule of Investments (Continued)

June 30, 2018

(dollars in thousands)

(unaudited)

Portfolio Company(1)(20)	Investment Date(27)	Business Description	Type of Investment(2)(3)(26)	Principal(4)	Cost(4)	Fair Value(18)
<b>Affiliate Investments(6)</b>						
AFG Capital Group, LLC	November 7, 2014	Provider of Rent-to-Own Financing Solutions and Services	Warrants (42 equivalent units; Expiration November 7, 2024; Strike price \$0.01 per unit) Preferred Member Units (186 units)(8)		\$ 259 1,200 1,459	\$ 900 3,760 4,660
Barfly Ventures, LLC(10)	August 31, 2015	Casual Restaurant Group	12% Secured Debt (Maturity August 31, 2020) Options (2 equivalent units) Warrant (1 equivalent unit; Expiration August 31, 2025; Strike price \$1.00 per unit)	9,450	9,301 397 473 10,171	9,440 800 450 10,690
BBB Tank Services, LLC	April 8, 2016	Maintenance, Repair and Construction Services to the Above-Ground Storage Tank Market	LIBOR Plus 10.00% (Floor 1.00%), Current Coupon 11.98%, Secured Debt (Maturity April 8, 2021)(9) 17% Secured Debt (Maturity April 8, 2021) Member Units (800,000 units)	650 4,000	632 3,890 800 5,322	632 3,890 470 4,992
Boccella Precast Products LLC	June 30, 2017	Manufacturer of Precast Hollow Core Concrete	LIBOR Plus 8.00% (Floor 1.00%), Current Coupon 10.31%, Secured Debt	16,742	16,594	16,742

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			(Maturity June 30, 2022)(9) Member Units (2,160,000 units)(8)		2,160	5,220
					18,754	21,962
<b>Boss Industries, LLC</b>	July 1, 2014	Manufacturer and Distributor of Air, Power and Other Industrial Equipment	Preferred Member Units (2,242 units)(8)		2,160	5,270
<b>Bridge Capital Solutions Corporation</b>	April 18, 2012	Financial Services and Cash Flow Solutions Provider	13% Secured Debt (Maturity July 25, 2021) Warrants (82 equivalent shares; Expiration July 25, 2026; Strike price \$0.01 per share)	7,500	6,044	6,044
			13% Secured Debt (Mercury Service Group, LLC) (Maturity July 25, 2021) Preferred Member Units (Mercury Service Group, LLC) (17,742 units)(8)	1,000	993	1,000
					1,000	1,000
					10,169	12,064

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<b>Portfolio Company(1)(20)</b>	<b>Investment Date(27)</b>	<b>Business Description</b>	<b>Type of Investment(2)(3)(26)</b>	<b>Principal(4)</b>	<b>Cost(4)</b>	<b>Fair Value(18)</b>
<b>Buca C, LLC</b>	June 30, 2015	Casual Restaurant Group	LIBOR Plus 9.25% (Floor 1.00%), Current Coupon 11.25%, Secured Debt (Maturity June 30, 2020)(9) Preferred Member Units (6 units; 6% cumulative)(8)(19)	19,704	19,616	19,616
					4,299	4,299
					23,915	23,915
<b>CAI Software LLC</b>	October 10, 2014	Provider of Specialized Enterprise Resource Planning Software	12% Secured Debt (Maturity October 10, 2019) Member Units (65,356 units)(8)	3,843	3,827	3,843
					654	2,850
					4,481	6,693
<b>Chandler Signs Holdings, LLC(10)</b>	January 4, 2016	Sign Manufacturer	12% Current / 1% PIK Secured Deb (Maturity July 4, 2021)(19) Class A Units (1,500,000 units)	4,523	4,494	4,523
					1,500	2,180
					5,994	6,703